

Side-by-Side: Major Provisions of Children's Health Insurance Coverage Bills, June 4, 2007

CURRENT LAW		CLINTON/DINGELL: CHILDREN'S HEALTH FIRST ACT (S 895/HR 1535)	ROCKEFELLER/SNOWE: CHIP REAUTHORIZATION ACT OF 2007 (S1224)	EMANUEL/RAMSTAD ¹ : HEALTHY KIDS ACT OF 2007 (HR 2147)
WHO'S COVERED				
Coverage for Children	<p>Income</p> <ul style="list-style-type: none"> SCHIP up to 200% FPL or 50% points above income level at enactment <p>Age</p> <ul style="list-style-type: none"> Up to age 19 <p>Limits—States cannot cover:</p> <ul style="list-style-type: none"> Children with group coverage State employees' children Documented immigrant children 	<p>Income</p> <ul style="list-style-type: none"> SCHIP up to 400% FPL Unsubsidized SCHIP buy-in for higher-income children (required for state that expand to 400% FPL) <p>Age</p> <ul style="list-style-type: none"> Up to age 25 <p>Removal of existing limits:</p> <ul style="list-style-type: none"> State employees' children Documented immigrant children 	<p>Income</p> <ul style="list-style-type: none"> State option to expand to 300% FPL or 50% points above income level at enactment Option to expand further if state meets conditions <p>Age</p> <ul style="list-style-type: none"> No change <p>Removal of existing limits:</p> <ul style="list-style-type: none"> State employees' children Documented immigrant children 	<p>Income</p> <ul style="list-style-type: none"> No change <p>Age</p> <ul style="list-style-type: none"> No change <p>Removal of existing limits:</p> <ul style="list-style-type: none"> Documented immigrant children
Coverage for Other Groups	<p>Waivers for:</p> <ul style="list-style-type: none"> Pregnant women Parents Childless adults prior to 2005 	<p>Pregnant women</p> <ul style="list-style-type: none"> If Medicaid eligibility to 185% FPL, children's coverage at 200% FPL, no higher than kids' eligibility limit Includes documented immigrants 	<p>Pregnant women</p> <ul style="list-style-type: none"> If Medicaid eligibility to 185% FPL, no higher than kids' eligibility limit Includes documented immigrants 	<p>Pregnant women</p> <ul style="list-style-type: none"> If Medicaid eligibility to 185% FPL, children's coverage at 200% FPL, no higher than kids' eligibility limit Includes documented immigrants
ENROLLMENT AND OUTREACH				
Eligibility Simplification	<ul style="list-style-type: none"> States have a number of options to simplify the application States are required to check citizenship documentation for Medicaid 	<ul style="list-style-type: none"> Express Lane (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) State option for how to assess citizenship; automatic newborn eligibility Model for interstate coordination 	<ul style="list-style-type: none"> Express Lane (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) State option for how to assess citizenship; automatic newborn eligibility 	<ul style="list-style-type: none"> Express Lane (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) Model for interstate coordination
Financial Incentives for Outreach	None	<ul style="list-style-type: none"> Increased federal matching rate for children's coverage in Medicaid if states implement continuous eligibility, model outreach and enrollment practices Increased federal matching rate linked to upper income eligibility limit; equals SCHIP enhanced matching rate for states with upper income limits at 400% FPL 	<ul style="list-style-type: none"> Increased federal matching rate for children's coverage in Medicaid if a state's: <ul style="list-style-type: none"> Medicaid enrollment growth exceeds benchmark or Participation rate of low-income children in Medicaid and SCHIP is at least 90% and it meets specified process measures Increase proportional to performance in both cases, up to a limit of an 85% federal match 	<ul style="list-style-type: none"> Increased federal matching rate of 2% points for children's coverage in Medicaid and SCHIP if states adopt a specific set of outreach practices Grants (\$50 million annually from '08-12) for local gov'ts, safety net, schools, faith-based organizations for outreach, with an emphasis on enrolling rural or minority children
Waiting lists	<ul style="list-style-type: none"> Allowed in non-Medicaid SCHIP programs 	<ul style="list-style-type: none"> Prohibits waiting lists 	<ul style="list-style-type: none"> Prohibits waiting lists as a condition of receiving higher FMAP (Financial Incentives for Outreach) 	<ul style="list-style-type: none"> Prohibits waiting lists
WHAT'S COVERED				
Benefits	<p>Must be benchmark coverage or equivalent</p> <ul style="list-style-type: none"> FEHBP BCBS State employees' plan Most popular HMO Pre-existing coverage Secretary-approved plan Must cover certain services 	<ul style="list-style-type: none"> Requires that state-employee benchmark be the most popular family coverage option Ends use of Secretary approved coverage Requires EPSDT services including dental services, FQHC and RHC services 	<ul style="list-style-type: none"> Requires that state-employee benchmark be the most popular family coverage option Requires coverage of dental and mental health Ends use of Secretary approved coverage Clarifies Medicaid EPSDT 	No change

¹ Senator Durbin has also sponsored this bill in the Senate: S. 1364.

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Employer-based coverage	<p>Premium assistance waiver: States can subsidize children's coverage in employer plans if:</p> <ul style="list-style-type: none"> Employers contribute 60% Coverage is cost effective Coverage is as generous as in SCHIP 	<ul style="list-style-type: none"> Buy-in: Permits states that cover children up to 200% FPL to allow employers and families to buy-in to SCHIP Support for employer coverage: Permits states that expand to 400% FPL to provide financial assistance (up to 50% of the cost per child) to employers who cover children in family policies with benchmark SCHIP benefits 	<p>Modifies premium assistance to:</p> <ul style="list-style-type: none"> Simplify the family-based and state-level cost effectiveness test Include disclosure requirements for group health plan benefits Maintains and strengthen current-law requirements regarding cost sharing and wrap-around coverage 	No change
FINANCING				
Allotment structure	States' allotments are a share of a national amount: \$5 billion in FY 2007	States' allotments are based on states' past spending trended by pre-set growth factors (see distribution formula)	States' allotments are a share of a national amount: \$8.525 billion in FY 2008, rising to \$15.4 billion in FY 2012	States' allotments are a share of a national amount: \$7.5 billion in FY 2008, increased by growth in per-capita national health spending and children's population growth
Distribution formula	<p>National amount allocated by states':</p> <ul style="list-style-type: none"> Number of children (equal blend of low-income children and low-income, uninsured children) and Geographic adjuster <p>Subject to floors and ceilings</p>	<ul style="list-style-type: none"> States' allotments equal FY 2007 spending, increased by growth in per-capita national health spending and state child population growth Rebased every 2 years to actual spending 	<p>National amount reduced by 5% (see "adjustment") and allocated by:</p> <ul style="list-style-type: none"> Historical spending, trended by growth in per-capita national health spending and U.S. child population growth Share of low-income, uninsured children, adjusted for state wage factor Floors protect allotments Rebased every 2 years to actual spending 	No change
Adjustment of allotment due to higher-than-expected costs	None	Allotment automatically adjusted for enrollment of children above a baseline	5% of national amount set aside to allocate to states whose costs exceed their allotments	<ul style="list-style-type: none"> Allotment automatically adjusted for enrollment of children above a baseline If sum of total adjustments exceed 20% of total federal spending, Congressional approval required
Distribution/Redistribution	3 years to spend federal allotments	2 years to spend federal allotments	2 years to spend federal allotments Unused funds get recycled	1 years to spend federal allotments Unused funds get recycled
Territories	Amount equal to 0.25% of national amount, plus additional amounts specified in law	Territories' allotments determined the same way as states', including enrollment adjustment	<ul style="list-style-type: none"> FY 2008—sets allotments for territories at highest level from 1997 through 2007 multiplied by adjustment Exempts increased federal matching rate for reporting from territories' cap GAO study funding 	Exempts increased federal matching rate for outreach from territories' cap
OTHER POLICIES				
Other Increased Federal Matching Rates	None	<ul style="list-style-type: none"> 90% match for school based outreach and enrollment efforts 75% match for IT to improve eligibility computer systems; for outreach and enrollment efforts in multiple languages 	75% match for IT to improve eligibility computer systems, for outreach and enrollment efforts in languages other than English, and for quality measure reporting	75% match for IT to improve eligibility computer systems
Other Policy Changes		Creates Medicaid SCHIP Payment Advisory Commission (MACPAC)	<ul style="list-style-type: none"> Creates Medicaid and SCHIP Payment and Access Commission (MACPAC) Develops measures and funds demonstrations to promote quality Childhood obesity demo (\$25 million over 5) IOM study and report on children's access to care (\$1 million) Funding for Census to improve data collection (\$20 million annually) Periodic reports to Congress on improving care, quality Moratorium on Payment Error Rate Measurement requirements 	<p>Tax credit for children's coverage:</p> <ul style="list-style-type: none"> Children with income between 200- 350% FPL not eligible for Medicaid/SCHIP Amount of credit: Phases down from 75% to 50%; may be advanced to plans Applicable to: group insurance or other state-designed coverage that meets certain standards Coverage must be guarantee issue, community rated, with no riders <p>Offset: Includes tax policy change to pay for bill</p>

Notes: Unless otherwise noted, all policies are state options.
 EPSDT—Early Periodic Screening, Diagnosis, and Treatment Program; FEHBP BCBS—Federal Employees Health Benefits Program Blue Cross and Blue Shield; FMAP—Federal Medical Assistance Percentages;
 FPL—Federal Poverty Level (The federal poverty limit for a family of four in 2007 is \$20,650); FQHC—Federally Qualified Health Centers; FY—Fiscal Year; GAO—General Accounting Office; HMO—Health Maintenance Organization; IOM—Institute of Medicine; IT—Information Technology; MACPAC—Medicaid and CHIP Program Access Commission; RHC—Rural Health Centers; SCHIP—State Children's Health Insurance Program